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PACIFIC  TELESIS
Group - Washington

June 22, 1992

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

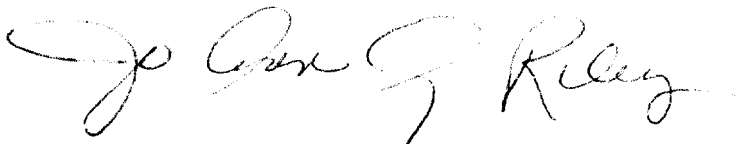
Dear Ms Searcy:

Re: RM-7967 and AAD 92-39 - Amendment of Part 61 of the Commission's Rules to
Require Quality of Service Standards in Local Exchange Carrier Tariffs

On behalf of Pacific Bell and Nevada Bell, please find enclosed an original and fifteen
copies of their "Comments" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me
should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosures

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JUN 22 1992

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Amendment of Part 61 of the) RM-7967, AAD 92-39
Commission's Rules to Require)
Quality of Service Standards)
in Local Exchange Carrier)
Tariffs)
)

COMMENTS OF PACIFIC BELL AND NEVADA BELL

Pursuant to the Commission's Public Notice, DA 92-634, dated May 21, 1992, Pacific Bell and Nevada Bell (hereafter the "Pacific Companies") respectfully submit their comments on the Joint Petition for Rulemaking ("Petition") by the International Communications Association and the Consumer Federation of America, ("Joint Petitioners") dated April 6, 1992.

I. INTRODUCTION

Joint Petitioners ask the Commission to establish a rulemaking proceeding to require local exchange carriers ("LECs") subject to price cap regulation to include their existing internal quality of service standards in their interstate tariffs. Specifically, the Petition asks that standards for availability and bit error rate be required for digital transmission services and standards for signal-to-noise ratio,

call completion and post-dial delay be required for dial-up analog services.

The Petition discusses the growing importance of communications to domestic commercial productivity and to residential and small businesses participating in the Information Age. The Pacific Companies absolutely agree and are clearly on record as to our intent to provide quality telecommunications services to our customers. Pacific Bell and Nevada Bell are committed to offer superior value to our customers by responding to their diverse expectations. In light of this commitment, requiring service standards to be included in tariffs is unnecessary as either an incentive to improve performance or as a mechanism to force improvement. We will continue our focused efforts to deliver high quality service and meet customer expectations. Those efforts will not be limited by prescribed standards.

The Pacific Companies urge the Commission to reject this Petition as it previously rejected a similar request. The Petition claims but fails to substantiate any "fundamentally changed circumstances" to validate reintroducing an issue that the Commission previously rejected. Moreover, the Petition overstates any potential benefits from including standards in tariffs while understating the administrative burden previously acknowledged by the Bureau.

II. DISCUSSION

A. The Petition Should Be Dismissed Because The Bureau has Already Rejected Requiring Standards To Be Included In Tariffs.

1. The Bureau's Refusal Is Clear.

The need to include standards in tariffs was raised by participants in the Price Cap proceeding.¹ The Commission rejected the need for new standards recognizing that there was incentive for carriers to maintain the high quality of its services.² The Bureau, designated to develop reporting requirements for service quality reports under price caps regulation, specifically declined to require LECs to file service quality standards in their interstate tariffs.³ The Bureau indicated that to do so would entail considerable administrative burden and would be tantamount to requiring national standards

¹ Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313, (Price Cap Proceeding), Comments of the Independent Data Communications Manufacturers Assn., Comments of Boeing Computer Services, and Comments of Tele-Communications Association, each dated April 10, 1991.

² Price Caps Proceeding, Order on Reconsideration, 6 FCC Rcd 2637 (1991), para. 179.

³ Price Caps Proceeding, 6 FCC Rcd 2974, 2991 (1991), (Bureau Order); Attachment B, Section IV.B.1.

which the Commission said was unnecessary at that time.⁴ The Bureau explained:

[T]he filing of standards in interstate tariffs would lead to various challenges of the standards so filed with the result that the Commission would be expected to rule upon the acceptability of these standards, and probably to enforce them.

2. No "Fundamentally Changed Circumstances" Exist Which Warrant Reexamining The Issue.

This request to include standards in tariffs merely repeats the request previously rejected by the Commission. Joint Petitioners claim that the new request is meritorious because of "fundamentally changed circumstances resulting from newly available information" being placed in the public domain for the first time. Petition, p. 2. Joint Petitioners mistakenly suggest that service standards have not been publicly available. Petition, p. 16. The internal quality standards of LECs have been available (and continue to be available) to both regulators and to customers. Service standards are either expressly

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Although the Joint Petitioners disclaim any interest in having the Commission set standards, the Petition discloses otherwise in that it suggests that publishing standards in the tariff may provide "pressure on the lowest companies" to raise their standards and to "explain differences between their varying standards of quality". Petition, p. 10.

published in tariffs or included in technical publications⁵ which are incorporated by reference into the tariffs. For example, Pacific Bell's interstate Tariff F.C.C. No. 128 specifies the standard for error free seconds for digital and high-capacity digital services.⁶

The "newly available information" appears to be a reference to the industry's responses to a Congressional data request by Senators Markey and Bryant. While the data response may be the first collection of industry data available to the general public, the collection of data does not constitute a "fundamentally changed circumstance" justifying further expenditure of limited Commission and LEC resources.

Even if, however, service standards had not been previously available, the Petition fails to explain why the public availability of industry-wide information consolidated in one report requires reconsideration of the Bureau's recent decision. Nor does the Petition explain why the public availability of LEC standards overcomes the problems that caused the Commission to previously reject requiring mandatory

5 Technical publications are developed by Bellcore or by LECs. Bellcore technical publications are based on an industrywide process where carriers, end-users, large business customers and others participate in the establishment of acceptable standards.

6 Pacific Bell Tariff F.C.C. No. 128, Section 7.2.8.(B); Section 7.2.9.(B); Nevada Bell Tariff F.C.C. No. 1, Section 7.10.2; Section 7.11.2. The Pacific Bell Tariff also refers the reader to technical publications for information on technical specification and examples of application.

publication of standards in tariffs. It is not apparent why the publication of the consolidated industry data supports mandatory publication of technical standards in tariffs.

B. The Petition Overstates The Extent of Customer And Commission Benefit.

1. The Petition Errs In Its Assessment Of Currently Available Information.

The Petition erroneously portrays customers as blindly purchasing services without recourse to information about LEC performance standards. Petition, summary, p.1, p. 6. That mischaracterization does not fit the Pacific Companies' customers. Essential terms and conditions of service are currently provided either expressly in a tariff, by reference to standards set out in technical publications, or by a combination of both. Standards contained in technical publications are incorporated by reference and are both specific and enforceable. Moreover, information as to how interested parties may obtain copies of the referenced technical publication is clearly stated and easily located.⁷

2. The Benefits Of Requiring Standards In Tariffs Are Overstated.

The Joint Petitioners suggest that requiring standards in tariffs would result in benefits to residential and business

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Pacific Bell Tariff F.C.C. No. 128, pp. 17.1 - 17.4;
Nevada Bell Tariff F.C.C. No. 1, pp. 16.1.1 - 16.3.

customers, to the Commission and to LECs. Those benefits are overstated. For example, the Petition anticipates a reduction in service disputes and misunderstandings between carrier and users by the express inclusion of standards in tariffs. Petition, p. 4. But, Joint Petitioners offer no evidence that the lack of knowledge about service standards is the basis for customer complaints.

The Petition also anticipates a decrease in regulatory involvement in the delivery of communications services. Petition, p. 7. The Petition implies that express standards published in tariffs will provide additional remedy to end users -- one which would not require Commission involvement. That is not the case. Service standards are currently enforceable, whether those standards are expressly stated or set out in technical publications and incorporated by reference.⁸ Under the Commission's rules, complaints will continue to be the means to resolve disputes and that will require Commission involvement.

Moreover, although the Joint Petitioners claim that no greater Commission involvement would be necessary, it does admit that there is "the small potential" that the Commission could be involved in disputes over the service quality standards published in tariffs. Petition, p. 17. This is exactly the circumstance

8 The Pacific Companies' tariffs currently provide a customer remedy that does not require Commission involvement -- the customer credit allowance for service interruption. Pacific Bell Tariff F.C.C. No. 128, Section 2.4.4; Nevada Bell Tariff F.C.C. No. 1, Section 2.4.4.

that the Bureau discussed as a reason for rejecting the earlier request to include standards in LEC tariffs.

C. The Petition Understates The Administrative Burden.

The Petition attempts to minimize the formidable administrative task associated with tariff revisions.⁹ It suggests that "carriers only need submit tariff revisions stating in summary form the standards which the carriers already utilize and which, for the most part, they have already disclosed". Petition, p. 16 (emphasis deleted). The record in Docket 87-313 fully indicates the nature and extent of the administrative burden of requiring service standards in tariffs. In that proceeding, the Pacific Companies explained that every change in a technical or service standard, no matter how small, would require LECs to file a tariff revision. That burden would be shared with the Commission's staff which would have to review all of the revisions. Thus, the burden on both LEC and Commission resources is significant.

In addition to this administrative burden, providing specific standards may not be efficient because services that customers order are frequently tailored to meet their individual needs. In addition to basic voice services, for example, a

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The Public Notice indicates that the Petition requests the inclusion of standards in the LECs' annual access tariff filing. The sense of the Petition, however, is that tariffs would have to be updated whenever standards changed and provided whenever new products were offered. Petition, p. 16.

customer may order additional features and functions and channel interfaces to tailor the basic voice services to meet specific communications requirements. Including standards for individual components that comprise the customer-tailored service would be impractical since transmission parameters will depend on the mix and match of features and functions ordered by the customer.

Finally, requiring the express statement of standards in tariffs would be another regulatory burden that applies to LECs but not to their competitors. While the Pacific Companies intend to honor our commitment to quality service and standards, whether those standards are set out in a tariff or found in a technical publication, we should be permitted to do so without the additional administrative burden this Petition would impose which would not be shared by our competitors.

III. CONCLUSION

For the reasons provided above, the Pacific Companies oppose the Joint Petition for Rulemaking. In the absence of

changed circumstances, there is no reason to reopen an issue which the Commission has recently examined and rejected.

Respectfully submitted,

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Date: June 22, 1992